



dhcs | ACT

Public housing changes

Discussion paper

August 2007



Consultations on changes to public housing

This paper outlines the recent changes that may affect some public housing tenants and seeks your input into the way these changes will be implemented.

Housing ACT tenants who may be affected are:

- Households with an income exceeding \$80,000 gross per annum; or
- Those occupying dwellings with two or more bedrooms above entitlement.

The changes will be phased in over a number of years and will not be implemented in a way that is unjust or unreasonable. The specific needs and housing requirements of affected tenants will be assessed against clear and transparent policy guidelines.

Tenants who have an established need to live in their current home will not be required to leave that dwelling.

Housing ACT will begin the process by working with tenants who are interested in exploring their options. Tenants are free to explore the purchase of their property or a transfer to a smaller dwelling at any time.

Discussion paper

Community input is sought on the draft policy guidelines contained in this paper. The guidelines include details on:

- The **assessment process** used to identify the current and future circumstances of tenants and their families;
- The **decision-making** process; and
- The **appeal process** for tenants.

This paper is available on the Department of Disability, Housing and Community Services website - <http://www.dhcs.act.gov.au>.

You may wish to comment on:

- The circumstances where a tenant would be exempt from being asked to make a change;
- The criteria that should be considered during an assessment of circumstances;
- The process used to undertake assessments;
- The decision-making and appeals process; and
- Any other issues.

We would welcome comments on the paper in writing or via telephone.

Phone calls can be made to 6205-2463.

Written responses can be forwarded to “Housing Consultation”, Locked Bag 3000, Belconnen ACT 2616 or emailed to housingconsultation@act.gov.au.

The closing date for submissions is Friday 14 September 2007.

Public forums

Public housing tenants and interested community members are invited to attend a public forum in the following locations:

Civic

13 August 2007 from 7:00 - 9:00pm
Griffin Centre, Room 1, 20 Genge St, Canberra City

Belconnen

16 August 2007 from 2:00 – 4:00pm
Canberra Labor Club, Chandler Street, Belconnen

Tuggeranong

22 August 2007 from 9:30 - 11:30am
Tuggeranong Community Centre, Room 1, Cowlshaw Street,
Greenway

Civic

23 August 2007 from 9:30 - 11:30am
Griffin Centre, Room 1, 20 Genge St, Canberra City

Tuggeranong

27 August 2007 from 6:00 - 8:00pm
Tuggeranong Community Centre, Room 1, Cowlshaw Street,
Greenway

Woden

28 August 2007 from 7:00 - 9:00pm
Hellenic Club of Canberra, Matilda Street, Philip

Woden

30 August 2007 from 9:30 – 11.30am
Hellenic Club of Canberra, Matilda Street, Philip

General enquiries

If you have any general enquires about Housing ACT, please call Canberra Connect on 133 427 (13 DHCS).

Individual enquiries

If you would like to discuss your personal situation, call the Housing ACT Tenant Information Officer on 6205-2463.

Background

Public housing has played a vital role in the establishment of the national capital. But just as our national capital has developed and evolved over time, so has the role of public housing in the Canberra community.

In 2006, changes were introduced to the Public Housing Rental Housing Assistance Program (PRHAP) - the legislative instrument governing public housing operations - to ensure the system is responsive to the changing needs of applicants.

As a result average waiting times for applicants have been shortened and those most in need are housed more quickly. The public housing waiting list now also accurately reflects the number of people who need public housing.

From June 2006, the ACT Government will invest a minimum of \$30 million over three years in new public housing. An additional \$4.3 million in 2007–08 will bring the total additional expenditure for the current financial year to more than \$14 million.

However, as the waiting list shows, the level of demand for housing assistance will always exceed the supply of public housing.

Having achieved improved waiting times, the next challenge is to improve the usage of the public housing stock.

The National Report on Government Services confirms that between 30% and 50% of ACT public housing stock is currently under utilised. This occurs where tenants have additional bedrooms over current entitlements, mainly due to changing household composition.

It is estimated that there are approximately 3,000 tenancies with one bedroom over entitlement and a further 1,200 tenancies with two or more bedrooms over entitlement. There are also approximately 650 tenancies that are under entitlement – that is they do not have enough bedrooms for current household members.

The *Performance Audit of Housing ACT – 2006* undertaken by the ACT Auditor General recommended that this situation be addressed as a matter of urgency. In addition, the Commonwealth State Housing Agreement (CSHA) requires that housing services be directed to those most in need, for the duration of their need.

DRAFT POLICY GUIDELINES

Tenants who live in households with incomes exceeding \$80,000 or have two more bedrooms over entitlement will generally be subject to an assessment of their circumstances. However, there will be some tenants exempted from being asked to make a change.

Households with incomes exceeding \$80,000

Households with gross incomes of \$80,000 or more per annum, calculated over two consecutive years and sustainable in the long term, will be encouraged to purchase their current home or another dwelling on the private market or consider private rental accommodation.

The income assessment period will commence from 1 July 2007 and take place over the next two financial years. The first discussions with affected households will take place after 1 July 2009. Tenants who intend to purchase a property will have an additional year to save a deposit and execute a sale.

Income earned by the tenant and their domestic partner will be included in the assessment, but income earned by children (including adult children) will not. Income currently exempt from assessments for public housing eligibility will also be excluded (e.g. Carer allowance, Family Tax Benefit Part B).

The sustainability of a tenant's income will be assessed to determine their capacity to service a loan to purchase a property. A tenant will be not be asked to enter into home ownership if they do not have a sustainable income or if they are unable to secure a loan because of their age, existing financial commitments or credit history.

The additional impacts of having a disability will also be taken into account when that disability incurs additional living expenses or affects the sustainability of household income.

Tenants with two more bedrooms over entitlement

Some tenants with two or more spare bedrooms may be asked to move to another Housing ACT dwelling after an assessment of their individual circumstances. Tenants will retain security within the public housing system.

Bedroom entitlements are assessed against Housing ACT's Housing Size Guidelines. These guidelines are consistent with national benchmarks and make provision for caring and child access arrangements.

The assessment of tenancies with two or more bedrooms above entitlement will commence in early 2008, beginning with dwellings with four or more bedrooms. If a transfer is appropriate, Housing ACT will find a suitable alternative for the tenant and will meet reasonable re-location costs (such as removal costs and utility and phone connections).

Assessment process

The purpose of the assessment is to gain an overall understanding of whether a tenant needs to remain in their current property as a Housing ACT tenant, or will benefit from another option.

Housing ACT will initially identify tenants that live in households with an income exceeding \$80,000 per annum or are in properties with two more bedrooms over entitlement. The tenant will be contacted in writing to confirm their circumstances and housing preferences, including staying in their current property.

In close liaison with the tenant, Housing ACT will then undertake a more detailed assessment of the individual needs of each affected tenant. Tenants will be given every opportunity to tell their story and provide any necessary supporting documents.

As part of the assessment tenants may be invited to attend a personal interview or case conference, if required. Tenants can bring along family members, or a friend or support person.

The assessment will identify a tenant's:

- Current circumstances;
- Future plans and aspirations; and
- Housing requirements.

For households with incomes over \$80,000, the assessment will consider a tenant's prospects for home ownership, particularly the sustainability of their income and their ability to access and service a loan.

For tenants with two more bedrooms over entitlement, the assessment will focus on the household's current needs and property requirements and the availability of suitable alternatives.

The following issues will be specifically considered:

For households with incomes exceeding \$80,000

- The sustainability of the tenant's income;
- The tenant's ability to access and service a loan from a finance provider;
- Additional expenses that detract from gross income (e.g. meeting the needs of a household member with a disability);
- Availability of a property for purchase with suitable disability modifications;
- Any likely discrimination a tenant may experience in accessing housing alternatives; and
- Any other requirements.

For tenants with two or more bedrooms over entitlement

- Household composition, including tenant's age and the number and age of children;
- The tenant's tenancy history with Housing ACT, including the length time in their current property;
- Property requirements, including the need for disability modifications;
- Requirements for access to a specific school or educational institution;
- Connections with social networks and supports;
- Requirements for access to medical and other health and community services; and
- Any other requirements.

At this point Housing ACT may agree with a tenant that no further discussions are required. Tenants would only be approached again if their circumstances change significantly, but could initiate contact with Housing ACT at anytime to discuss alternatives.

In other cases, Housing ACT will initiate the decision-making process on whether alternative arrangements will be actively explored.

Decision making process

Housing ACT will refer decisions on alternative arrangements to a multi-disciplinary panel for consideration.

The multi-disciplinary panel is a skills based panel that currently makes decisions on applications for priority housing. The panel includes senior representation from Housing ACT and other government and non-government agencies. It also has the capacity to call in external expertise, and all information is subject to strict privacy guidelines.

The multi-disciplinary panel will make a decision after full consideration of the tenant's situation. A summary document will be prepared by Housing ACT and provided to the tenant for comment. The summary document will be provided to the panel after the tenant's comments have been included.

The panel will consider the summary document and any additional material the tenant wishes to submit. The panel may also seek clarifying information from the tenant or Housing ACT.

The panel will then make a decision as to whether the tenant should move to home purchase or private rental, or in the case of tenants over bedroom entitlement, another Housing ACT dwelling.

Appeals process

Tenants are able to appeal a decision made by the multi-disciplinary panel. Decisions made under the guidelines are administrative decisions made under the Public Housing Rental Housing Assistance Program (PRHAP).

First-level appeals can be made to the Housing Review Committee (HRC), an independent committee comprised of community representatives that reviews individual matters and makes recommendations to the Commissioner for Housing. The Commissioner for Housing will exercise the final internal decision.

External appeal avenues are available through the Administrative Appeals Tribunal (AAT).